

**Introduced by Senator Hernandez**  
(Principal coauthor: Assembly Member Bonta)

February 19, 2016

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An act to add Section 1323.1 to the Health and Safety Code, relating to health facilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1365, as introduced, Hernandez. Hospitals.

Under existing law, health facilities, including hospitals, as defined, are licensed and regulated by the State Department of Public Health. Existing law prohibits a health facility from charging, billing, or otherwise soliciting payment from a patient on behalf of, or referring a patient to, another health facility in which the health facility has a significant beneficial interest, except as provided. A violation of these provisions is a crime.

This bill would require an entity that operates or controls a hospital, as defined, and that also operates, controls, or leases real property for use as an outpatient treatment setting, to ensure that the outpatient facility does not charge a fee to or impose costs on a patient or other payer for inpatient care or hospital care, except as provided. By expanding a crime, this bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 1323.1 is added to the Health and Safety  
2     Code, to read:  
3     1323.1. An entity that operates or controls a hospital, as defined  
4     in subdivision (a), (b), or (f) of Section 1250, and that also operates,  
5     controls, or leases real property for use as an outpatient treatment  
6     setting shall ensure that the outpatient facility does not charge a  
7     fee to or impose costs on a patient or other payer for inpatient care  
8     or hospital care unless the care is provided in the portion of the  
9     facility that is subject to Section 1276.4 or a hospital building as  
10    defined in subdivision (a) of Section 129725.  
11    SEC. 2. No reimbursement is required by this act pursuant to  
12    Section 6 of Article XIII B of the California Constitution because  
13    the only costs that may be incurred by a local agency or school  
14    district will be incurred because this act creates a new crime or  
15    infraction, eliminates a crime or infraction, or changes the penalty  
16    for a crime or infraction, within the meaning of Section 17556 of  
17    the Government Code, or changes the definition of a crime within  
18    the meaning of Section 6 of Article XIII B of the California  
19    Constitution.